



DEPARTMENT OF THE NAVY
OFFICE OF THE UNDER SECRETARY
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

AAUSN/FMD
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MEMORANDUM FOR DISTRIBUTION

Subj: GUIDANCE FOR THE FISCAL YEAR (FY) 2012 SECRETARIAT REVIEW BOARD (SRB) RESOURCE SPONSOR (RS) PROPOSAL PREPARATION AND SUBMISSION

1. Background. The Secretariat Review Board (SRB) process is designed to ensure Secretariat managed programs select fiscally responsible and defensible methods for operating programs and implementing the Secretary's FY 2012 – 2017 priorities and objectives. This memorandum provides overarching guidance and principles for executing the FY 2012 SRB program/budget cycle.

The Secretariat Review Board (SRB) and its processes were established in February 2004. The process guides the Secretariat through a requirements/resources adjudication procedure. The Assistant Secretaries, the General Counsel, and recently, the Deputy Under Secretaries of the Navy review the complete financial posture of the Secretariat and make resourcing recommendations to the Under Secretary and the Secretary of the Navy. In the SRB process, Secretariat activities use a zero-based budgeting approach to report programmed resources and assess financial requirements. Limited resources are matched with mission priorities based on SRB exhibits documenting emergent-requirements, cost savings and efficiencies. Inherent in the SRB process is the rigorous analysis and objective scrutiny of baseline funding and unfunded requirements.

2. Responsibilities. The Under Secretary of the Navy is the SRB Chair. The AAUSN serves as the Executive Secretary to the SRB process. The AAUSN as the Secretariat resource manager for the Under Secretary provides the review and analysis of SRB recommendations to the SRB leading to final decision.

3. Objectives. As the Department of the Navy continues to operate in an environment of fiscally constrained resources, funds availability for solving unfunded issues is expected to remain limited. An adequate baseline review that emphasizes obligation performance will be required to accompany the SRB exhibits. The goal of the SRB is to:

- a. Ensure that resources are aligned with to the Secretary's priorities;
- b. Ensure that Secretariat managed programs meet objectives;
- c. Focus leaders on the costs of their management decisions;
- d. Assist managers in selecting the most cost effective methods for operating Programs; and
- e. Harvest savings from efficiencies.

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4. General Guidance. As of the release of this guidance, DON top-line controls for FY 2012 have not yet been published. Therefore, activity Program Managers should not exceed current SRB 11 funding levels when planning for SRB 12 requirements without strong justification and accompanying offsets. Managing resources within existing controls and establishing realistic expectations for funding levels is highly encouraged. To this end, controlling costs and garnering offsets to address the most critical needs should take precedence when prioritizing mission requirements.

The importance of presenting rigorous assessments with explicit cost-benefit analysis cannot be overemphasized. In order to facilitate program analysis, this year's SRB will emphasize actual execution performance to planned execution. Accordingly, obligation rates that are below plan must be accompanied by an explanation and recovery plan. In formulating submission materials, activities should identify direct return on investments, and performance measures, and provide offsets from currently funded programs.

5. Process and Timeline Overview. The schedule below provides general timelines for the process.

29 January	- SRB 12 exhibits and Emergent Requirements due to AAUSN/FMD
5 February	- Aggregate issues by family sent to cognizant SRB Member for endorsement.
19 February	- Memorandum of Endorsement due to AAUSN FMD
Mid April	- Briefing to Principal Deputies'
Late April	- Briefing to ASN/GC/DUSN
Early May	- Briefing to the SECNAV/UNSECNAV

6. Action. Specific guidance for preparing and submitting SRB exhibits will be released in a subsequent memo. Questions should be directed to Mr. David Nugent, Comptroller/Director, Financial Management Division, at (703) 693-0321, or david.nugent@navy.mil.


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